

State of California
BOARD OF EQUALIZATION

ENERGY RESOURCES SURCHARGE REGULATIONS

Regulation 2304. WORTHLESS ACCOUNTS.

Reference: Section 40023, Revenue and Taxation Code.

An electric utility is relieved from liability to collect the surcharge insofar as the base upon which the surcharge is imposed is represented by accounts which have been found to be worthless and charged off in accordance with generally accepted accounting principles. If the electric utility has previously paid the amount of the surcharge, it may take as a deduction on its return the amount found to be worthless and charged off. If such accounts are thereafter collected in whole or in part, the surcharge so collected shall be paid with the first return filed after such collection.

Electric utilities may charge off their worthless accounts on the basis of their experience ratio provided the write-off percentage includes an allowance for collection on worthless accounts made subsequent to the write-off.

History: Adopted December 18, 1974, effective January 26, 1975.